

# Newham Houses in Multiple Occupation and Charging Notices Update March 2024 Private Sector Housing Standards

Dear Newham landlords, Licence Holders and Managing Agents,

## **New HMO mandatory fee charges from 1<sup>st</sup> April 2024 based on number of lettings.**

The total fee has been split to comply with recent case law into a part A fee (collected at the application stage) and part B fee (collected before the final licence is issued). The proposed licensing fee has been split to reflect case law – (R Hemming, t/a Simply Pleasure Ltd v Westminster CC [2015] UKSC 25; [2015] AC 1600):

- Split fee part A – a fee levied at the point of application, to cover the costs of the scheme's 'authorisation procedures and formalities', i.e. the costs of processing the application.
- Split fee part B – if the application is successful, a further fee to cover the costs of running and enforcing the scheme itself. This includes inspections and monitoring for enforcement, for example non-compliance of conditions of the relevant licence, or disrepair in the premises in breach of the relevant housing regulations.

There is also an option if the applicant would prefer to pay the fee in one payment. There are discounts available if eligible for accredited landlords and for warmer homes (EPC C or better)

For more details see LB Newham website on eligibility for discounts on the licence fees and charges: <https://www.newham.gov.uk/housing-homes-homelessness/rented-property-licensing/9>

The new mandatory HMO fees have been reviewed to ensure that the costs reflect the application/processing and inspection costs especially for the larger buildings in the borough converted or considered to be mandatory HMOs. All licence fee income is ring fenced for the administrative and operational cost of operating the licensing scheme and towards non-compliance/enforcement activities of the scheme. The fees were last reviewed in 2013.

<b>No. of lettings</b>	<b>New Part A fee</b>	<b>New Part B fee</b>	<b>New Total</b>
Up to 5 lettings	£450	£950	£1,400
6-9 lettings	£450	£1,100	£1,550
10-14 lettings	£450	£1,250	£1,700
15-19 lettings	£450	£1,400	£1,850
20-29 lettings	£600	£2,000	£2,600
30-39 lettings	£750	£2,600	£3,350
40-49 lettings	£900	£3,200	£4,100
50-59 lettings	£1,050	£3,800	£4,850
60-69 lettings	£1,200	£4,400	£5,600
70-79 lettings	£1,350	£5,000	£6,350
With £750 overall increase per additional 10 lettings (for 80 lettings upwards)	additional £150 for Part A	additional £600 for Part B	Total of £750 for each additional 10 lettings to the 70-79 figure
EPC (Energy Performance Certificate) C or better (for the HMO structure) discount		£50 reduction of Part B fee	
Accredited landlord member		£50 reduction of Part B fee	

### **New charging notice fee when enforcing against poor property conditions**

Where property standards are found to be poor under the Housing Health and Safety Rating System, i.e.

containing either Category 1 hazard(s) and/or Category 2 hazard(s), the Council will first try to resolve with the landlord. This may be followed by enforcement action by means of service of an Improvement Notice or making a Prohibition Order under Part I Housing Act 2004. Section 49 of the Housing Act 2004 allows local authorities to serve a Charging Notice on the recipients of a Notice/Order to cover the reasonable costs associated with the preparation and service of the Notice or Order. The amount is for the Local Authority to determine based on reasonable costs incurred. The amount is currently £750 and was previously amended in January 2021.

The Charging Notice amount will increase from £750 to £845 from 1st April 2024, which reflects the average staff costs associated with the service of the formal notice. The charge will apply to all notices served from 1st April 2024.

Regards,

**Helen Masterson MCIEH CEnvH | She / Her  
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